SUPREME COURT, U.S.
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No. 02-300

IN THE

Supreme Court of the United States

EPPENDORF-NETHELER-HINZ GMBH,

Petitioner,

v.

RITTER GMBH AND RK MANUFACTURING, INC.

Respondents.

On Petition for a Writ of Certiorari to the
United States Court of Appeals for the Fifth Circuit

BRIEF FOR RESPONDENTS IN OPPOSITION

WILLIAM J. UTERMOHLEN
OLIFF & BERRIDGE, PLC
277 South Washington Street
Suite 500
Alexandria, Virginia 22314
(703) 836-6400

Counsel for Respondents

RULE 29.6 STATEMENT

Neither Ritter GmbH nor RK Manufacturing, Inc. have parent companies or publicly traded subsidiaries.

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OPINION BELOW

The opinion of the United States Court of Appeals for the Fifth Circuit is reported both at 289 F.3d 351 and at 62 USPQ2d 1534.

STATEMENT OF THE CASE

During the 1980s, petitioner Eppendorf-Netheler-Hinz GmbH ("Eppendorf") introduced into the American market a mechanical dispenser used to dispense liquids repetitively. Eppendorf also marketed disposable plastic syringes (sometimes called "pipette tips") that fit into the Eppendorf dispenser and hold the liquids to be dispensed. The Eppendorf dispenser became widely distributed among users of such syringes, such as hospitals and laboratories. DX151, DX453, T.648.

In 1990, a Polish company, HTL, introduced in the U.S. the first competitive dispenser syringes that were compatible with the Eppendorf dispenser. DX36. The HTL syringes were unmarked and were of the same basic design as the Eppendorf syringes. T.748/13-22. By 1994, HTL had about 15% of the U.S. market. DX337.

In the early 1990s, respondent Ritter GmbH ("Ritter"), a German company with expertise in injection molding, was approached by two companies who desired an alternative source of supply for such syringes. T.212/6-17, 975/23-982/11, 144/1-6. After Ritter's counsel confirmed that no company had registered any rights in such products, T.981/19-25; 997/19-998/1, 998/18-25, Ritter began making and selling a similar dispenser syringe in Europe in 1993, marked with the brand name "RITIPS," and priced below Eppendorf's product. T.187/7-8, 975/23-982/11, 144/1-6, PX2, DX28. Not long afterwards, Ritter also began

marketing its own dispenser, which, although much different in general appearance from that of Eppendorf, used the same basic interface arrangement, so that the syringes of all three companies could be used interchangeably. PX17.

Eppendorf soon became aware of the Ritter syringe and visited Ritter in November 1993. T.144/1-6; DX76. DX337. Over the next year, a series of negotiations occurred about a potential sale of Ritter's syringe business to Eppendorf. In the meantime, Ritter introduced its dispenser syringes into the American market in March 1994. DX452:90/22-91/17; T.747/2-17. Eppendorf never claimed at such meetings to have trade dress rights in its syringe product configuration. T.155/5-20. Indeed, Eppendorf personnel testified that they did not then believe they had any such rights. Eppendorf's marketing director Michael Schroeder described the discussions:

Q. Did you make any reference to any rights that Eppendorf had?

A. No.

Q. Did you consider yourself to have any rights with respect to Ritter and RK in the United States at that time?

A. No.

DX452:98/7-25, 99/8-100/2. The sale discussions ended in November 1994. DX440; T.149/7-24.

In response to the additional competition, Eppendorf provided "private label" syringes to three large scientific product distributors, which syringes were not identified as originating with Eppendorf. DX38. A number of additional

companies, including Brand, Gilson/Rainin, Jencons and Nichiryo, also began marketing what became known as "generic" syringes: syringes, like respondents', compatible with the typical dispenser interface. DX151:17. Each of those syringes were of the same basic design as the Eppendorf, HTL and Ritter syringes. DX140-48, 394-95.

On June 10, 1998, more than four years after introduction of the Ritter product in the United States and without any prior warning, Eppendorf brought this suit against both Ritter and Ritter's U.S. distributor, RK Manufacturing, Inc. ("RK"), asserting, *inter alia*, a trade dress product configuration claim under the Lanham Act. R.6; T.158/3-10; 752/7-9.

At the same time Eppendorf sued Ritter, Eppendorf also brought suit against the American distributor for HTL. That suit was dismissed on summary judgment on the ground of laches. *Eppendorf-Netheler-Hinz GmbH v. Enterton Co. Establishment*, 89 F. Supp. 2d 483 (S.D.N.Y. 2000), *aff'd*, 14 Fed. Appx. 102 (2d. Cir. 2001).

The suit against Ritter and RK proceeded to trial in June 2000 before the United States District Court for the Southern District of Mississippi. Eppendorf asserted that its dispenser syringes had a non-functional trade dress, with recognized secondary meaning, and that customers were likely to be confused as to origin by the configuration of respondents' "RITIPS" dispenser syringes. Respondents denied those assertions and contended, *inter alia*, that Eppendorf's alleged trade dress claims were subject to laches and estoppel, and that any such rights had been abandoned.

A jury found in favor of Eppendorf and respondents' post-trial motions were denied. Pet. App. 12a-15a.[1]

Ritter and RK appealed to the United States Court of Appeals for the Fifth Circuit, which ruled, on April 22, 2002, that Eppendorf had failed to establish the non-functionality of its alleged trade dress. In reaching its decision, the panel relied on this Court's decision in *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23 (2001). The Fifth Circuit rejected Eppendorf's petition for rehearing en banc on May 24, 2002, no judge having requested a poll. App. 26a.

Pursuant to S. Ct. R. 15.2, respondents note the following misleading or inaccurate statements of fact in Eppendorf's petition:

1. Eppendorf's alternative design evidence (*see* Pet. 7) was based largely on the Combitips Plus, its second generation dispenser syringe product, which had a pattern of bumps provided on the flange in order to allow Eppendorf's new dispenser to automatically sense the size of inserted syringe. T.393/4-394/4, 1341/2-11, 1347/2-11; DX151:16. The fins were also much larger than in the original Combitips, and provided with a notch, in order to permit the syringes to be set in a rack with that profile. T.363/16-24, 395/9-16. Accordingly, the alternatives posited were designed differently for a functional reason.

2. As to every alleged trade dress element asserted by Eppendorf (*see* Pet. 9), the design choice reflected in its dispenser syringes was the simplest design available. Simplicity is functional, as Eppendorf's witness Dr. Husar admitted: "I think it is always desirable to have a

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[1] Petitioner has omitted to include the district court's October 25, 2000 ruling on those motions in its Appendix.

simple design." T.393/16-19. Injection-molded plastic parts are produced with steel molds cut into the proper shape by machinists; good design criteria are to use simple geometric shapes, without overhangs, that can most easily be cut into the mold and which will use a minimum amount of plastic consistent with function. T.1224/16-1225/7, 1231/10-14.

3. Alternative design approaches to Eppendorf's asserted elements (*see* Pet. 7-9 & n.4) were not readily available. For example, Ritter's syringes had to be compatible with the Eppendorf dispenser, since many customers already had that dispenser. T.393/11-15; DX151:17. The fill lever of the Eppendorf dispenser had a set travel distance, which limited the length of the liquid holding receptacle of the syringe. T.1228/7-12. Given the volume of the syringe, the basic dimensions of the barrel were thus predetermined.

Volumes could not vary arbitrarily, because there was a lockstep relationship between the overall volume of the syringe and the five different dispensing volumes that could be dispensed on the five settings of the dispenser (the smallest setting being $1/50^{th}$ and the largest being $1/10^{th}$ of the overall volume). T.419/6-423/14; DX419, 450. Moreover, certain dispensing volumes were the ones most popular with customers. For that reason, the 5 ml syringe was by far the most popular size. DX416; T.1119/6-7. Eppendorf tried to change one of its syringe sizes in the move from the Combitips to Combitips Plus (12.5 ml to 10 ml), but the result was that it could not discontinue the Combitips size because there were still customers that wanted the volumes that could only be gotten from that size syringe. T.1129/6-1130/21.

The tips below the barrel had to be compatible with customers' test tubes. Indeed, when Eppendorf tried to

change the length of the 5 ml Combitips Plus, there were so many customer complaints that the change had to be rescinded. DX453:1987; T.1121/19-1122/8. Similar constraints applied to the other asserted elements.

4. Eppendorf's advertising did not focus on the appearance of its dispenser syringes. (Pet. 5). Rather, pictures of its syringes were included in advertisements that focused on the utilitarian purposes of such syringes. PX27, 29 & 33.

5. The reference to the RITIPS as being direct replacements to the Eppendorf syringe (Pet. 6) meant that the RITIPS were compatible with the Eppendorf dispenser, or other standard dispensers, permitting customers to switch between the product lines. DX149. Eppendorf's claim that the use of the term "direct replacement" was false advertising was dismissed by the district court, and not appealed.

6. Eppendorf's evidence of secondary meaning (Pet. 7) was very weak, despite its dominance of the market. Eppendorf relied on a survey that, even after counting identifications that failed to point to any physical aspect of the appearance of the product and could have simply been based on Eppendorf's well-known name, claimed only a 22% recognition of Eppendorf's trade dress. DX446; T.536/23-537/8, T.547/3-21, T.959/3-13. Another 22% of survey respondents identified, as the source of the Eppendorf syringe, companies that do not even make such dispenser syringes. T.542/7-18; DX446.

7. The photograph of Oxford syringes that is attached to the petition without explanation (*see* Pet. 7 n.3; Pet. App. 31a) does not show syringes that were compatible with the Eppendorf dispenser. DX442; T.534/18-536/3, 548/5-550/12, 1130/22-1131/14; DX151:17.

8. Respondents did not deny having copied Eppendorf's product. *See, e.g.*, T.603/1-4, 975/23-982/24. Moreover, the photograph showing syringes from which the name "eppendorf" had been removed was not "one of [respondents'] own documents," but a photograph that had been provided to Ritter by a customer to describe the type of products that the customer desired Ritter to make. PX91; T.1065/3-16.

SUMMARY OF ARGUMENT

There is no conflict between the decision of the Fifth Circuit in this case and the decision of the Federal Circuit in *Valu Engineering, Inc. v. Rexnord Corp.*, 278 F.3d 1268 (Fed. Cir. 2002). The Federal Circuit affirmed a finding of functionality by the Trademark Trial and Appeal Board and, accordingly, did not hold that non-functionality may be proven solely by evidence of hypothetical alternative designs.

The Fifth Circuit below applied this Court's guidance expressed in *TrafFix* and did not misinterpret that decision. Rather, petitioner has misinterpreted that decision as having no relevance outside the context of product designs formerly covered by a utility patent. Petitioner's contentions are an attempt to reargue the issues laid to rest in *TrafFix* and the issues petitioner seeks to raise would not be dispositive of this case.

ARGUMENT

I. THERE IS NO CIRCUIT CONFLICT

1. In *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 850 n.10 (1982), this Court articulated the traditional test for functionality of a product feature alleged to have a trade dress, i.e., that such a feature is functional and cannot serve as a trademark "if it is essential to the use or purpose of the article or if it affects the cost or quality of the article." The decision of the Fifth Circuit in this case simply applied the teaching of *TrafFix* that where a plaintiff fails to meet his burden of establishing non-functionality under that traditional rule, the availability of alternative designs is irrelevant. To that end, the Fifth Circuit quoted from a paragraph in this Court's opinion in *TrafFix*:

> There is no need, furthermore, to engage, as did the Court of Appeals, in speculation about other design possibilities, such as using three or four springs which might serve the same purpose. . . . Here, the functionality of the spring design means that competitors need not explore whether other spring juxtapositions might be used. The dual spring design is not an arbitrary flourish in the configuration of MDI's product; it is the reason the device works. Other designs need not be attempted.

532 U.S. at 33-34. *See* 289 F.3d at 357 (Pet. App. 9a). The Fifth Circuit summarized the evidence that each of the elements on which Eppendorf relied were functional, noted that Eppendorf's "theory of non-functionality focused on the existence of alternative designs," and concluded that "no reasonable juror could conclude that Eppendorf carried its

burden of proving non-functionality." 289 F.3d at 357-58 (Pet. App. 10a-11a).

2. Eppendorf points to the decision of the Federal Circuit in *Valu Engineering, Inc. v. Rexnord Corp.*, 278 F.3d 1268 (Fed. Cir. 2002), as allegedly being in conflict with the Fifth Circuit's ruling in this case. However, the Federal Circuit's *Valu Engineering* decision *affirmed* the Trademark Trial and Appeal Board's refusal to register, on functionality grounds, product designs for conveyor guide rails. Accordingly, the Federal Circuit's decision does not stand for the proposition that non-functionality can be established solely through hypothesizing alternative designs. Rather, both circuits are in agreement that, on the facts in the cases before them, the proponents of non-functionality failed to meet their burden of proof.

The Federal Circuit indicated, in dicta, that the Board's having considered, as a factor *favoring* functionality, the unavailability to competitors of functionally equivalent designs was not error. *See* 278 F.3d at 1272 (describing Board's finding) & 1276. The Federal Circuit also indicated, however, consistent with both *TrafFix* and the Fifth Circuit's decision in this case, that a "feature cannot be given trade dress protection merely because there are alternative designs available." *Id.* at 1276.

3. Petitioner brought its contentions about the significance of the Federal Circuit's comments in *Valu Engineering* to the attention of the Fifth Circuit by a February 6, 2002 letter, but the Fifth Circuit did not even mention that decision in its opinion, presumably recognizing that nothing in the Federal Circuit's decision was relevant to resolution of the present case. Petitioner again raised those

contentions unsuccessfully to the Fifth Circuit in its petition for rehearing en banc.[2]

II. THERE IS NO NEED FOR THIS COURT TO RECONSIDER THE *TRAFFIX* CASE

1. Eppendorf's petition is, in effect, a request for rehearing of the *TrafFix* case, not a demonstration that the Fifth Circuit deviated from the guidance this Court provided in *TrafFix*. Petitioner seeks to construe the *TrafFix* decision as limited solely to the context of alleged trade dress features formerly covered by a utility patent. *See* Pet. 13-14, 18-19. In other words, petitioner would like to read Part III out of the *TrafFix* opinion.

In Part III of *TrafFix*, Justice Kennedy, for a unanimous Court, indicated that the Court of Appeals' failure to give sufficient recognition to the evidentiary significance of the expired utility patents "likely was caused by its misinterpretation of trade dress principles in other respects." 532 U.S. at 32. In Part II of the opinion, the Court had given an example of how non-functionality could be established:

> Where the expired patent claimed the features in question, one who seeks to establish trade dress protection must carry the heavy burden of showing that the feature is not functional, for instance by showing that it is merely an ornamental, incidental, or arbitrary aspect of the device.

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[2] Petitioner's assertion that the resolution of the functionality issue is "outcome determinative" because the Fifth Circuit's reversal was based solely on that ground, Pet. at 16, ignores the additional issues respondents raised before the Fifth Circuit that were mooted by that court's ruling as to functionality. *See* Br. Applts. at 1-2.

Id. at 30.[3] The Court returned to that thought in Part III of its opinion, which manifestly was not limited to the expired utility patent context:

> The dual-spring design is not an arbitrary flourish in the configuration of MDI's product; it is the reason the device works. Other designs need not be attempted.

Id. at 34. The Court further commented that even the existence of a utility patent would not necessarily suggest functionality as to "arbitrary, incidental, or ornamental aspects of features of a product found in the patent claims, such as arbitrary curves in the legs or an ornamental pattern painted on the springs." However, the Court explained that "MDI has pointed to nothing arbitrary about the components of its device or the way they are assembled." The *TrafFix* opinion thus repeatedly pointed to the existence or absence of arbitrary, incidental or ornamental aspects of an alleged product configuration trade dress as reliable indicia of whether or not the trade dress is functional.

Moreover, the *TrafFix* decision made very clear that where, as here, aesthetic functionality is not the issue, substitution of the *Qualitex* "significant non-reputation-related disadvantage" analysis, or any similar analysis, for the traditional test articulated in *Inwood* is not appropriate:

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[3] This ornamental, incidental, or arbitrary terminology harks back, of course, to the seminal definition of trademarks provided in *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 10-11 (2d Cir. 1976), which treated "arbitrary," "fanciful" or "suggestive" word marks as inherently distinctive. "Ornamental" was a term applied to product packaging in *Seabrook Foods, Inc. v. Bar-Well Foods, Ltd.*, 568 F.2d 1342, 1344 (C.C.P.A. 1977). *See Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 210-14 (2000).

> Where the design is functional under the *Inwood* formulation there is no need to proceed further to consider if there is a competitive necessity for the feature.

532 U.S. at 33. Again, this clarification was expressly made applicable regardless of the presence or absence of a utility patent:

> Whether a utility patent has expired or there has been no utility patent at all, a product design which has a particular appearance may be functional because it is "essential to the use or purpose of the article" or "affects the cost or quality of the article."

Id. at 35. The Fifth Circuit was, thus, correct to reject application to this case of its "utilitarian" test, which it characterized as "virtually identical to the 'competitive necessity' test discussed in *TrafFix*." 289 F.3d at 356 (Pet. App. 7a).

The Fifth Circuit concluded that "[e]ach of the eight design elements identified by Eppendorf is essential to the use or purpose of the Combitips, and are not arbitrary or ornamental features."[4] That conclusion was based on the test re-emphasized in *TrafFix* and the factors considered germane by *TrafFix*. Petitioner's assertion that the Fifth Circuit departed from this Court's opinion in *TrafFix* is without merit.

2. Petitioner's remaining arguments are an attack on the principles enunciated in *TrafFix* as allegedly sounding

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[4] So in original and in the version published at 62 USPQ2d 1534, 1538. The version published in F.3d and repeated in the petitioner's appendix (11a) substitutes "is not arbitrary" for "are not arbitrary."

the death knell of product design trade dress protection. However, that attack is both based on a myopic view of the role of product design trade dress and fails to identify any actual problems that have arisen to date on account of the Court's analysis in *TrafFix*. In particular, petitioner's second proposed question for certiorari merely seeks an advisory opinion about the future effect of the *TrafFix* decision without demonstrating either that the present case turns on the answer to the question posed or that future cases are likely to turn on such an issue.

Petitioner's argument treats any contraction of the scope of trade dress protection as *ipso facto* contrary to public policy, *see, e.g.*, Pet. 20 n.12, through disregarding the considerations that caused this Court in *TrafFix* to "caution against misuse or over-extension of trade dress" in that "product design almost invariably serves purposes other than source identification." 532 U.S. at 29 (quoting *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205, 213 (2000)). Petitioner's recitation of facts emphasizes the alleged secondary meaning of its syringes, asserted to have been "backed by extensive advertising and promotion that focused on their appearance," as well as the three years said to have been invested in the "design and development" of its syringes. Pet. 5-7. Such considerations misconceive the role of trade dress. As this Court indicated in *TrafFix*, in a passage echoed by the Fifth Circuit:

> Trade dress protection must subsist with the recognition that in many instances there is no prohibition against copying goods and products. In general, unless an intellectual property right such as a patent or copyright protects an item, it will be subject to copying.

Id.; *see* 289 F.3d at 355 (Pet. App. 5a). This Court further explained that considerations like those emphasized by petitioner cannot form the basis of trade dress protection:

> The Lanham Act does not exist to reward manufacturers for their innovation in creating a particular device; that is the purpose of the patent law and its period of exclusivity. The Lanham Act, furthermore, does not protect trade dress in a functional design simply because an investment has been made to encourage the public to associate a particular functional feature with a single manufacturer or seller.

532 U.S. at 34-35.

Petitioner also does not mention that there are alternative means to advance the interests served by trade dress protection. Traditional trademarks generally are more effective than product shapes in identifying the source of products to consumers, particularly given the ordinary assumption of consumers that a product shape has a purpose other than source-signification. *See Wal-Mart*, 529 U.S. at 213. In addition, design patent or copyright protection may be sought. *Id.*, at 214. Moreover, when too broadly defined, trade dress becomes an opportunity for a large, well-financed competitor to strong arm its competition. *See Wal-Mart*, 529 U.S. at 213-24.

Eppendorf fails to demonstrate that this Court needs to revisit trade dress issues for the third time in three years in order to expound on the parameters of functionality set forth in *TrafFix*. That decision did much to clarify the law of functionality, as did Congress's 1998 decision to place the explicit burden of proof as to that issue on the proponent of trade dress. *See* 15 U.S.C. § 1125(a)(3). There has not yet been adequate opportunity for the implications of the *TrafFix*

and *Wal-Mart* decisions to be absorbed, applied and refined by the lower courts.

Petitioner has not raised issues that suggest this case should serve as a vehicle to again address the functionality doctrine. Eppendorf alleges that the Fifth Circuit did not give adequate attention to its claimed trade dress considered as a whole, Pet. 17-18, 19 n.11, but the Fifth Circuit found that Eppendorf failed to demonstrate the non-functionality of each of the eight trade dress elements it sought to prove at trial. 289 F.3d at 357-58 (Pet. App. 11a) ("all eight design elements identified by Eppendorf are essential to the operation of the Combitips").

A trade dress wholly made up of functional elements could be eligible for trade dress protection only in the unlikely event that there was something arbitrary and non-functional about the arrangement of those elements. There was no evidence of that in this case. The flange on Eppendorf's syringes was located where it was located because it had to fit into the dispenser at that location. Likewise, the fins under the flange had to be under the flange in order to give the flange support. The same is true for the other elements.

If there were any merit to Eppendorf's argument that the whole of its trade dress is greater than the sum of its elements, the Fifth Circuit could have ruled for Eppendorf based on existing law. *See, e.g., Sunbeam Prods., Inc. v. Westbend Co.*, 123 F.3d 246, 256-57 (5th Cir. 1997). Nothing in *TrafFix* suggests that such issues cannot be considered by courts and nothing in the Fifth Circuit's decision suggests that it so construed *TrafFix*. Instead, Eppendorf's product was a plastic syringe of uncomplicated, geometric design that simply did not lend itself to trade dress protection, considered element by element or as a whole.

There is no need for this Court to clarify the law as to such issues or to revisit that essentially factual question.

CONCLUSION

The petition for a writ of certiorari should be denied.

November 6, 2002

Respectfully submitted,

WILLIAM J. UTERMOHLEN
OLIFF & BERRIDGE, PLC
277 South Washington Street
Suite 500
Alexandria, VA 22314
(703) 836-6400

Counsel for Respondents